

NOTICE OF PROPOSED RULE AMENDMENT

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

Agency Information

1. Agency: Insurance - Administration
 Room no.: 3110
 Building: STATE OFFICE BLDG
 Street address 1: 450 N MAIN ST
 Street address 2:
 City, state, zip: SALT LAKE CITY UT 84114-1201
 Mailing address 1: PO BOX 146901
 Mailing address 2:
 City, state, zip: SALT LAKE CITY UT 84114-6901

Contact person(s):

Name:	Phone:	Fax:	E-mail:
Jilene Whitby	801-538-3803	801-538-3829	jwhitby@utah.gov

(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 37883 Date filed: 08/01/2013 06:54 PM
 State Admin Rule Filing Key: 154516
 Utah Admin. Code ref. (R no.): R 590 - 244 -
 Changed to Admin. Code ref. (R no.): - -

Title

2. Title of rule or section (catchline):
 Individual and Agency Licensing Requirements.

Notice Type

3. Type of notice: Amendment

Rule Purpose

4. Purpose of the rule or reason for the change:
 Due to passage in 2013 of HB 160, Health System Reform Amendments, a new Chapter 23b has been added to Insurance Code. Chapter 23b is the Navigator License Act. This rule is being amended to satisfy requirements of the Navigator Act. Other changes to the rule have also been made to clarify and update code references.

Response Information

5. This change is a response to comments by the Administrative Rules Review Committee.
 No

Rule Summary

6. Summary of the rule or change:
 Code references have been updated in the Authority section, and throughout the rule, to reference the new 23b Chapter. A few other code references have been added that should have been noted previously. The new Section 6 outlines the requirements for an active licensee to act as a Navigator. A new Section 8 outlines the examination and

training required for a Navigator and individual licensees. Section 9 specifies some renewal requirements for a Navigator license and specifies the licensing period for a Navigator license. Section 10 now requires an exam to reinstate a Navigator license.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

Licensing requirements for Navigators will be handled in part electronically but department employees will still need to review them individually. As with other licensees, Navigators will need to be licensed and pay the normal licensing fees.

B) Local government:

Affected: No

This rule does not impact local governments since it deals solely with the relationship between the department and their licensees.

C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

There is a \$50,000 surety bond that a Navigator is required to obtain or have an errors and omissions policy. The cost of the bond or policy will differ according to the purchaser and insurer or bonding company. If a new Navigator is already a producer and is covered by E&O, that producer will not be required to obtain another one. A new Navigator not already licensed will need to obtain an E&O policy or bond. An individual license is \$75 and \$85 for an agency.

D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

There is a \$50,000 surety bond that a Navigator is required to obtain or have an errors and omissions policy. The cost of the bond or policy will differ according to the purchaser and the insurer or bonding company. If a new Navigator is already a producer and is covered by E&O, that producer will not be required to obtain another one. A new Navigator not already licensed will need to obtain an E&O policy or bond. An individual license is \$75 and \$85 for an agency. Individuals will also have fingerprinting fee that they will have to pay the contract provider. The fingerprinting fees do not go to the General Fund. There is also an exam fee that is administered through the Health and Human Services. These exams have not yet been developed so cost is unknown and would have no impact on the department.

Compliance Cost Information

8. Compliance costs for affected persons:

There is a \$50,000 surety bond that a Navigator is required to obtain or have an errors and omissions policy. The cost of the bond or policy will differ according to the purchaser and the insurer or bonding company. If a new Navigator is already a producer and is covered by E&O, that producer will not be required to obtain another one. A new Navigator not already licensed will need to obtain an E&O policy or bond. An individual license is \$75 and \$85 for an agency. Individuals will also have fingerprinting fee that they will have to pay the contract provider. The fingerprinting fees do not go to the General Fund. There is also an exam fee that is administered through the Health and Human Services. These exams have not yet been developed so cost is unknown and would have no impact on the department.

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

Costs to businesses to become Navigator agencies will be similar to those of other insurance agency licensees.

B) Name and title of department head commenting on the fiscal impacts:

Todd E. Kiser, Insurance Commissioner

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :

31a1-26-202(1)
 31A-35-104
 31A-23b-208(1)
 31AL-23b-203(2)
 31A-25-208(9)
 31A-23b-401(9)
 31A-23a-111(10)
 31A-23a-108(1)
 31A-23b-205(2) & (3)
 31A-26-207(1)
 31A-23a-110(1)
 31A-25-201(1)
 31A-2-201(3)
 31A-23a-104(2)
 31A-23a-115(1)
 31A-23a-302(2)
 31A-23b-207(1)
 31A-23a-203.5(3)
 31A-23b-209(3)
 31A-35-401(2)
 31A-35-301(1)
 31A-26-213(10)
 31A-35-406(1)

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

<div style="text-align: right;"> Official Title of Materials Incorporated (from title page): Publisher: Date Issued: Issue, or version: </div>

ISBN Number:
 ISSN Number:
 Cost of Incorporated Reference:
 Adds, updates, removes:

Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)
- A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) : 09/16/2013
- B) A public hearing (optional) will be held:
- On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):
- 09/09/2013 01:00 PM State Office Building Room 3112, State Office Building, Salt Lake City, UT 84114

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy): 09/23/2013
- NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After a minimum of seven days following the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
- insurance licensing requirements

File Information

15. Attach an RTF document containing the text of this rule change (filename):
- There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and title: Todd Kiser Commissioner Date (mm/dd/yyyy): 08/01/2013